

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

02-26-07

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**In the Matter of the Application of SAN
GABRIEL VALLEY WATER COMPANY
(U337W) for Authority to Increase Rates
Charged for Water Service in its Fontana
Water Company Division by \$5,992,200 or
13.8% in July 2006, \$3,081,100 or 6.2% in
July 2007, and \$2,194,100 or 4.2% in July
2008**

**Application No: 05-08-021
(Filed August 5, 2005)**

**Order Instituting Investigation on the
Commission's Own Motion into the Rates,
Operations, Practices, Service, and
Facilities of San Gabriel Valley Water
Company (Utilities 337 W).**

**Investigation 06-03-001
(Filed March 2, 2006)**

**FONTANA UNIFIED SCHOOL DISTRICT'S COMMENTS TO THE
ALTERNATE PROPOSED DECISION OF COMMISSIONER BOHN**

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Pursuant to the Commission's Rules of Practice and Procedure (Rules) and in particular Rule 14.3, the Fontana Unified School District (School District) respectfully submits its **COMMENTS TO THE ALTERNATE PROPOSED DECISION OF COMMISSIONER BOHN** for Application 05-08-021, and hereby joins in any Comments made by the City of Fontana (City) and/or the Division Of Ratepayer Advocates (DRA) to the alternate proposed decision, and incorporates such comments herein.

Conclusion

The District submits that an Advice Letter Proceeding is unacceptable for a project valued at over \$70,000,000, thus the District disagrees with Commissioner Bohn's proposed decision on this significant issue. The Advice Letter is to be used for non-controversial, routine and small capitalized investments. The Sandhill Treatment facility is neither small, nor routine. It is the largest project ever undertaken by San Gabriel's Fontana Division. The project represents a large percentage of the total capital investment for the next decade. As such, the project should be approved incrementally, if at all, in General Rate Case Proceedings, and only if the project actually provides benefit to the ratepayer. Sandhill may be nothing more than a filtration plant with nothing to filter; if such, the ratepayers should not be required to pay for the boondoggle. The record developed at the hearing clearly indicates that San Gabriel has little stream flow to filter in midsummer and has no current state contract for a large quantity of state project water. When evidence is presented that Sandhill is actually benefiting ratepayers, then the ratepayers may be made to pay for the investment made by the shareholders because they are benefited. This is in keeping with the Constitutional mandate of the Commission. It

would be Constitutional error to charge ratepayers for an investment that does not substantially benefit them. In the event of a statewide drought, Sandhill will be of little value, while improved wells and conservation programs will be of great value.

The District respectfully requests that the Proper Decision by ALJ Barnett be adopted by the Commission as its decision, with modification as suggested by DRA, the City of Fontana and the School District.

February 23, 2007

Respectfully submitted,

/s/

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CERTIFICATE OF SERVICE

I, **Gail A. James**, hereby certify that I have this day served a certified copy of the foregoing document: **FONTANA UNIFIED SCHOOL DISTRICT'S COMMENTS TO THE ALTERNATE PROPOSED DECISION OF COMMISSIONER BOHN**

On all known parties to **Application No. 05-08-021, Filed August 5, 2005** by regular mail delivery, a copy thereof properly addressed to parties and I caused the documents to be sent to the persons at the e-mail addresses listed below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful. Attached hereto is a list of parties or persons served.

Executed this 26th day of **February, 2007**, in Fontana, California.

/s/

Gail A. James

*****SERVICE LIST*****

Last Update on 17-JAN-2007 by: CPL

A0508021 LIST

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